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Part 1: News Analysis

Russia, Kazakhstan, and Turkmenistan failed to meet the September 1 deadline for an intergovernmental agreement on construction of the Caspian pipeline, and the fate of the much-discussed Russian-dominated gas project has now been subject to some doubt. Despite the intensive work of diplomats and officials over three months, the tri-partite contract drafted in May to cooperate in building a regional pipeline is also not yet ready for signing, as hoped this month. Russia's president, Vladimir Putin, will not be visiting Turkmenistan as originally planned this month, *Nezavisimaya Gazeta* and other Russian media reported.

There is little information about the nature of the sticking points in the agreement, but local media speculated that one issue is Russia's concern that Turkmenistan is essentially "triple-dipping" from the same gas reserves to feed three competing gasoline projects routed in different directions to reach foreign markets. There is no independent and public verification of the Turkmen government's claim that existing reserves are sufficient to meet all current export commitments.

By contrast, events this week revealed that Turkmenistan's energy ties with China are proceeding apace. President Berdymukhamedov inaugurated a Chinese-backed pipeline in a September 4 ceremony where he gave a license to the Chinese National Petroleum Company (CNPC), making it the first foreign country to receive rights to onshore gas development. In July the CNPC signed a production-sharing agreement with Turkmenistan for a pipeline to eventually deliver 30 billion cubic meters of gas a year to China starting in 2009.

Turkmenistan is clearly trying to keep all its options open, faced with a variety of competing offers for cooperation to extract its gas and deliver it to the West, and coping with the need for foreign development support. This week the president met with UNDP officials to discuss a two-year self-governance project to begin in three provinces of Turkmenistan, which will involve training of officials and the provision of new computers and connectivity. And a senior delegation arrived in Brussels this week to attend a meeting of the Turkmen-European Union Joint Committee.

Schools opened around the country this week with events to mark the Day of Knowledge and to showcase the president's education reforms, such as raising teachers' salaries and students' stipends by 40 percent. Restoring the tenth year of secondary school, which had been abolished by his predecessor, Saparmurat Niyazov, has been the cornerstone of the president's educational platform, and is seen broadly as a litmus test of his ability to achieve compliance with his reforms more broadly. Disappointingly, the government did not report, and there was no independently gathered information, on whether President Berdymukhamedov's February 2007 order to restore the tenth year had in fact been complied with.

Part 2: News Digest

Summary: Russia, Kazakhstan and Turkmenistan failed to meet their September 1st deadline for a gas pipeline agreement, but a Chinese-sponsored pipeline began construction. Schools opened with a 40 percent increase in teachers' salaries and student stipends, but without information about how fully the order to restore the tenth year of secondary school had been implemented.

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1. INTERNATIONAL RELATIONS

a. Russia, Kazakhstan, and Turkmenistan Fail to Meet September 1 Gas Pipeline Agreement Deadline

Original title: *East-Caspian Gas Pipeline Agreement Delayed.* Synopsis prepared by OSI Turkmenistan Project.

Source: turkmenistan.ru/09/03/07

Full version: http://www.turkmenistan.ru/?page_id=3&lang_id=en&elem_id=10926&type=event&sort=date_desc

Synopsis: Russia, Kazakhstan, and Turkmenistan failed to meet the original September 1 deadline for an intergovernmental agreement on construction of the Trans-Caspian pipeline, turkmenistan.ru reported. The Central Asian leaders had agreed at a May summit in Astana to complete their draft agreement by September.

Sergei Naryshkin, vice premier of the Russian Federation, said in an interview with the television channel Vesti last week that work had been "intensive" throughout the summer but that he was reluctant to name a date for completion at this time.

b. CNPC Gets License to Develop Onshore Gas Field in Turkmenistan

Original title: *CNPC Gets License to Develop Onshore Gas Field in Turkmenistan.* Synopsis prepared by OSI Turkmenistan Project.

Source: UzReport.com/09/04/07

Full version: <http://business.uzreport.com/mir.cgi?lan=e&id=36785>

Synopsis: China National Petroleum Corp (CNPC) received a license to develop an onshore gas field in Turkmenistan, the first foreign company to gain such rights in the Central Asian country, UzReport.com reported, citing *Shanghai Daily*. President Gurbanguly Berdimukhamedov presented the license to CNPC Chairman Jiang Jiemin at a ceremony September 4 at the field in western Turkmenistan

The CNPC signed a production-sharing agreement with Turkmenistan in July for a pipeline to eventually deliver 30 billion cubic meters of gas a year to China starting in 2009, the Turkmen government's website reported. The route is an alternative to exports via Russia. New fields in the Bagtyarlyk region are expected to produce 17 bcm of gas a year for export to China, while the other 13 bcm will come from the Samandepo and Altyn Assyr fields, the government said.

c. Turkmen Government Sending Delegation to EU in Brussels

Original title: *Turkmen Delegation Heads to Belgium.* Translation prepared by OSI Turkmenistan Project.

Source: Official Turkmen Government website/09/04/07

Full version: <http://www.turkmenistan.gov.tm/?idr=1&id=070904b>

On assignment from Gurbanguly Berdimukhamedov, president of Turkmenistan, within the framework of the Trade and Cooperation Agreement between the European Union and Turkmenistan, a Turkmen delegation will visit Brussels (Kingdom of Belgium) from September 15-20, the Turkmen government website and State News Agency (TDH) reported.

During the visit, the Turkmen representatives will take part in a meeting of the Joint Turkmen European Union Committee.

d. Turkmen President to Address UN General Assembly in September

Original title: *Turkmen President to Address UN General Assembly in September.* Translation prepared by OSI Turkmenistan Project.

Source: ITAR-TASS/09/01/07

Full version: <http://www.itar-tass.com/eng/level2.html?NewsID=11833436&PageNum=0>

Synopsis: President Berdimukhamedov plans to travel to the United States to attend the UN General Assembly, which he will address on September 26 for the first time, ITAR-TASS reported. Foreign Minister Rashit Meredov discussed the trip at a government meeting September 2, the State News Agency (TDH) reported.

Meredov said Berdimukhamedov's itinerary in New York "is compiled with account of that great interest which the business and intellectual elite of the United States have shown in the Turkmen leader's visit and

Turkmenistan as a whole," ITAR-TASS reported. Meredov said the president would meet with representatives from big businesses and colleges. A delegation of oil and gas specialists is also to travel to the U.S. from September 21-30 to meet with American government officials and businessmen.

e. Turkmenistan, UNDP Discuss Local Self-Governance Program

Original title: *Turkmenistan--UNDP: New Cooperation Project for People's Welfare. Translation and excerpt prepared by OSI Turkmenistan Project.*

Source: Official Turkmen government website/09/03/07

Full version: <http://www.turkmenistan.gov.tm/?idr=1&id=070903a>

Excerpt: The preparation of a joint Program on Local Self-Governance between the Mejlis of Turkmenistan and the UNDP was one of the main topics discussed at a meeting between the Chairwoman of the Mejlis, A. Nurberdyeva and Richard Young, UN permanent coordinator and UNDP representative in Turkmenistan, the official Turkmen government website and State News Agency (TDH) reported.

Cooperation in the area of strengthening the principles of popular government in rural areas, the development of which Gurbanguly Berdimukhamedov, the Turkmen president places a particular focus, is one of the promising directions of the multi-faceted cooperation between Turkmenistan and the UN, a reliable basis for development of which is the 15-year positive experience of interaction.

[Passage omitted on president's democratic reforms.]

The new joint program, planned for 2 years, envisions performing a wide range of tasks including the provision of consulting by UNDP experts in the area of legislation, in order to improve the existing legislative basic and prepare new legislative acts to implement the interests of the individual. The project is aimed at sustainable development of the country's provinces, and will be implemented in three pilot provinces in the near future: Akhal, Balkhan, and Lebap.

[Passage omitted on training of local ministers and installation of the Internet and radio, as well as the planning of trips abroad to study self-governance traditions in other countries.]

[Passages omitted on incorporating experience into the work of all local government and on other UN projects for health and the environment.]

Welcoming the reforms begun in Turkmenistan, aimed at strengthening the democratic and legal foundations of the independent Turkmen state, and also the further improvement of the mechanism for authentic popular governance, Richard Young noted that the implementation of the new program of cooperation would serve as a powerful impetus for many years of cooperation for the purpose of development, the welfare of people, and implementation of their rights and liberties.

f. U.S. Commission On Religious Freedom Says Progress Is Heard, But Not Seen

Original title: *Turkmenistan: U.S. Commission On Religious Freedom Says Progress Is Heard, But Not Seen. Excerpt prepared by OSI Turkmenistan Project. Copyright (c) 2007. RFE/RL, Inc. Reprinted with the permission of Radio Free Europe/Radio Liberty, 1201 Connecticut Ave., N.W. Washington DC 20036.*

Source: RFE/RL/09/01/07

Full version: <http://www.rferl.org/featuresarticle/2007/09/8e41750b-8de1-4de6-b28f-81ef835401be.html>

Excerpt: A team from the U.S. Commission on International Religious Freedom (US CIRF) that has just returned from a weeklong trip to Turkmenistan says it heard encouraging things from the government on how it will handle religious worshippers in the future, RFE/RL reported. But commission members also heard from religious and human rights leaders that things have yet to change on the ground.

[Passage omitted on US CIRF background.]

RFE/RL: Whom did you meet with during your week in Turkmenistan?

Michael Cromartie: Well, we met, first of all, with the president [Berdimukhamedov]. Our first meeting in Turkmenistan was with the president, and that was good because what that did was signal to the other ministries and government agencies that we were there and that the president had met with us so that the

others should also. And so we met with the Culture Ministry and the Education Ministry -- we were in meetings the whole time. I mean, we hardly had time to get over jet lag. And you know, I think we must have met with seven or eight government agencies.

RFE/RL: So everyone you met with was part of the government?

Cromartie: Well, no, no. Then we met with NGOs and we met with religious leaders -- both registered and unregistered -- which was, you know, wonderfully helpful because you get one story from the government about what their plans are and their hopes are and their reforms are. And then you get with the people who are really living there and they give you a different story altogether. So it's a great check on any attempt by any government, wherever we visit, to keep them honest.

RFE/RL: In your meetings with human-rights and religious leaders, what did you learn? If you could have met with Berdymukhamedov again at the end of your trip, what would you have told him?

Cromartie: Well, we would have said for instance, "Mr. President, you have a religion law [from] 2003 in need of desperate reform and rewriting. And while we met with some people in your government who say that 'we are now going to expand religious freedoms to all faiths in Turkmenistan,' what we found in practice, sir, is that a lot of people still feel harassed, they still have their private worship services interrupted, they still are harassed by police and military agents who don't seem to appreciate people of other faiths, or of the nontraditional faiths, or minority faiths. And we, sir, without mentioning names, have met many of these people -- and they feel quite persecuted and constrained. And we need to let you know that no matter what you've done to the constitution, the word has not gotten down to others that this is the new policy in Turkmenistan."

RFE/RL: These groups you met with who gave you the ground-level, reality view of how their human rights and religious freedoms are still being abused, did they ask you specifically, or the United States, or the international community, to do anything to try and change the situation in Turkmenistan?

Cromartie: All they said was "We're so thrilled that you're here, we're delighted that you came, we want you to come back. So you know, they didn't know quite what the U.S. government could do, but they said, "whatever you can do, please do it." So they said, "Let the word go out that there's not religious freedom in Turkmenistan and despite any promises that may be coming out from the top, the word hasn't gotten to the street yet."

RFE/RL: How far have those promises from the top actually made it? Did the officials you met with in the ministries give you any specifics about ways they had perhaps been instructed to change their existing policies on religious expression or human rights?

Cromartie: Almost every agency we met with wanted to brag about plans they had and things they were going to do and things that they had set in motion. For instance, there is a real attempt at reform in Turkmenistan at the educational level. In Turkmenistan, people used to go to school just through the ninth grade; now they've extended it through the 10th grade. There is more emphasis on education in Turkmenistan. They made a really strong effort to let us know that reforms like that across the board are beginning to occur. We often had to remind them that we are a religious freedom commission, and we were not there to talk education policy.

[Passage omitted on government's hospitality and meetings with registered and unregistered churches.]
[Passage omitted on ranking of Turkmenistan by comparison to other countries.]

g. President of Uzbekistan Receives Deputy Chairman of Turkmenistan's Cabinet of Ministers

Original title: *President of Uzbekistan Meets Deputy Chairman of Turkmenistan's Cabinet of Ministers. Synopsis prepared by OSI Turkmenistan Project.*

Source: *Uzbekistan Today/08/30/07*

Full version:

http://www.ut.uz/eng/newsline/president_of_uzbekistan_meets_deputy_chairman_of_turkmenistans_cabinet_of_ministers.mgr

Synopsis: President Islam Karimov of Uzbekistan received Rashit Meredov, deputy chairman of the Cabinet of Ministers of Turkmenistan and foreign minister, on August 29 in Tashkent, *Uzbekistan Today* reported. The two sides discussed strengthening of relations. Currently, cooperation is based on a 1996 agreement. President Karimov met Berdymukhamedov at an informal CIS summit in Russia in June 2007.

Trade turnover between Uzbekistan and Turkmenistan made up \$47 million in 2006, and \$32.6 million in the first half of 2007.

2. DOMESTIC DEVELOPMENTS

a. Turkmen President Says Country's Security Depends on Education

Original title: *Turkmen President Says Country's Security Depends on Education. Synopsis prepared by OSI Turkmenistan Project.*

Source: *BBC Monitoring—Central Asia/TV Altyn Assyr/09/02/07*

Synopsis: President Berdymukhamedov took part in a number of ceremonies to mark the Day of Knowledge in Ashgabat, including the inauguration of a new school named "The Happy Generation," BBC Monitoring Central Asia reported, citing TV Altyn Assyr.

The Turkmen leader greeted foreign diplomats at a new school with interactive education, then later kicked off the construction of a new compound for the Military Academy. "Turkmenistan's internationally recognized neutral status as well as its goodwill foreign policy provide vast opportunities for resolving all international policy issues through negotiations and mutual understanding. A decision made by the United Nations on setting up a regional centre of preventive diplomacy in Ashgabat is a convincing proof of this," the president said.

"Let us hope that there will be no need to shed blood, defending our country in armed clashes. Nevertheless, you have to be ready to defend the country at any moment at any cost, even at the cost of your lives. The idea I want to get through you is that at present, the protection of the country depends on the level of education and skills," the president said.

b. Turkmen Teachers' Wages, Stipends Increased by 40 Percent

Original title: *Turkmen Teachers' Wages, Stipends Increased by 40 Percent. Synopsis prepared by OSI Turkmenistan Project.*

Source: *BBC Monitoring Central Asia/09/01/07/ITAR-TASS/08/31/07*

Synopsis: Starting September 1, salaries of teachers and student stipends were increased 40 percent, BBC Monitoring Central Asia reported, citing ITAR-TASS.

"I see sources of our people's happy life in a perfect education system," Berdymukhamedov was quoted as saying in an address to education workers and students to mark the Day of Knowledge.

He added that his goal with education reform was to create a universal education system with international standards so that Turkmen diplomats would be recognized.

c. Turkmen Radio Channel Head Sacked for "Grave Shortcomings"

Original title: *Turkmen Radio Channel Head Sacked for "Grave Shortcomings". Synopsis prepared by OSI Turkmenistan Project.*

Source: *BBC Monitoring Central Asia/TV Altyn Assyr/08/31/07*

Synopsis: Yaylym Orazov has been relieved of his post as head of the Watan (Homeland) radio channel and Main TV and Radio Committee of Turkmenistan for "grave shortcomings" in his work and for "failing to perform his official duties," BBC Monitoring Central Asia reported, citing TV Altyn Assyr.

In Orazov's place, Maksat Altayev has been appointed for a six-month probationary period. If he fails to perform his duties, will be dismissed without another job placement.

3. Economic News

a. Russian Expert Says Competing Pipeline Plans Tapping the Same Reserves

Original title: Hot "Gas" Summer. Synopsis prepared by OSI Turkmenistan Project

Source: eurasianhome.com/09

Full version: <http://www.eurasianhome.org/xml/t/expert.xml?lang=en&nic=expert&pid=1225&qmonth=0&qyear=0>

Synopsis: Stanislav Pritchkin, a political analyst for the online publication *The Eurasian Home* (eurasianhome.org), discusses three competing pipeline projects in Turkmenistan. The first is the Russian-backed Caspian Gas Pipeline, the agreement of which was to be signed in September but was delayed. In the first phase of this project, the existing Central Asia-Centre 3 pipeline with a capacity of 10 billion cubic meters a year will be repaired. In the second phase, before 2017, a new branch with the capacity from 60-80 bcm may be built. The South Yolotan, with reserves of 1.7 tcm, is set to be used for that purpose.

President Berdymukhamedov has said that implementing the Caspian Gas Pipeline would not impede the construction of its alternative, known as the Transcaspian Pipeline. The U.S. is the main lobby for the Transcaspian Pipeline. Under this project, Turkmenistan is supposed to supply partners with over 2 tcm of gas over the course of 30 years. This project is impeded by the uncertain legal status of the Caspian Sea, which remains unresolved due to border disputes between Azerbaijan and Turkmenistan, and among the littoral states. The cost of this project is also great, estimated at US \$11 billion.

The third project is a pipeline to China slated to have a capacity of 30 bcm a year. Both the Russian-backed project and the Chinese-backed line rely on the same untested prospecting at the South Yolotan fields, says the author, and costs are uncertain. The author believes that Russia will prevail and garner a great part of Central Asian gas.

b. Turkmen President Asks Bouygues to Design Seaport, Airport

Original title: Turkmen President Offers Bouygues to Design Seaport, Airport. Synopsis prepared by OSI Turkmenistan Project.

Source: ITAR-TASS/09/04/07

Full version: <http://www.itar-tass.com/eng/level2.html?NewsID=11841703&PageNum=0>

Synopsis: President Berdymukhamedov has offered the French company Bouygues to design a seaport and airport for the city of Turkmenbashi, near the site of a planned Caspian Sea resort area, ITAR-TASS reported, citing the presidential news service. Plans are also being discussed for a hotel, yacht club, oceanographic center, and an artificial river.

Bouygues has already built a presidential palace, banks, ministry buildings, theaters and museum buildings in Ashgabat, in projects exceeding \$1.5 billion in cost, ITAR-TASS reported.

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